

# CROWN IMPORTS LLC

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# CROWN IMPORTS LLC

- Imports, distributes and markets the Modelo, St. Pauli Girl and Tsingtao beer brands across the entire U.S.
  - Portfolio includes Corona Extra, the #1 imported beer in the U.S. and #6 beer overall
  - Corona Light, Modelo Especial, Negra Modelo, Pacifico, St. Pauli Girl and the Tsingtao beer brands.
- **Crown Imports** is the third largest beer player in US



# CROWN IMPORTS - SUPPLY CHAIN

- Rail, truck and ocean container to network of 3PL warehouses and wholesaler locations



- 18 Warehouses
- 600+ Wholesaler Locations
- Brewery sources  
Mexico, Germany, China



## U.S. BEER MARKET RESULTS: CY08

- **The U.S. beer** market finished the year up 0.5%, following 1.2% growth last year
  - **Imported beer** declined 3.1%; larger brands have been affected by several factors, including: consumers trading down, lost share to craft beer and inventory timing
- Consolidation of the MillerCoors system in the U.S. and the acquisition of A-B by InBev has reshaped the U.S. beer landscape



## CROWN RESULTS: Q1 FY 2010

- Crown Imports generated net sales of \$636 million... and operating income of \$126 million...
  - *"While the on-premise and convenience channels remain difficult, Crown is seeing some improvement at national chains in the grocery channel as it focuses on optimizing promotional activity through targeted marketing and programming support," said Sands.*
  - *"In particular, Corona Extra is ramping up its marketing efforts for the peak summer sales season by reprising some of its most iconic television spots and focusing its overall media investment into and through these key periods."*



# LOGISTICS

- Marketing and Sales Support
  - New package introductions
  - Accelerated pipeline fills
  
- Risk Mitigation
  - Ensure stability of supply chain
  - Core supplier programs
  
- Cost of Goods Sold
  - Network footprint and mode review



# LOGISTICS

- Improved Working Capital
  - Inventory assessment
  - Lead time reduction
- Customer Service Focus
  - Damage reduction programs



## LOGISTICS - AREAS OF CONCERN

- Increased theft
- Fuel prices
- Carrier plans for economic upturn
  - Infrastructure / Equipment
  - Workforce



*"Through prudent, targeted actions, coupled with some of the strongest brands in the industry, we believe we are well-positioned to benefit from the upturn in the economy when it occurs."*



THANK YOU

